

CITY OF MONTEREY PARK, AND
THE CITY COUNCIL ACTING ON BEHALF OF THE SUCCESSOR
AGENCY OF THE FORMER REDEVELOPMENT AGENCY
AGENDA

**Amended Agenda for Continued Regular Meeting
of January 7, 2015.**

**Monterey Park City Hall Council Chambers
320 West Newmark Avenue
Monterey Park, CA 91754**

**WEDNESDAY
January 14, 2015
12:00 PM**

MISSION STATEMENT

**The mission of the City of Monterey Park is to provide excellent services
to enhance the quality of life for our entire community.**

Communication by the Public is an important part of the Local Government Process. Staff reports, writings, or other materials related to an item on this Agenda, which are distributed to the City Council/Agency Board less than 72 hours before this scheduled meeting are available for public inspection in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours. Such staff reports, writings, or other materials are also on the City's website subject to staff's ability to post the materials before the meeting. The City's website is located at www.montereypark.ca.gov. Copies of staff reports and/or written documents pertaining to any item on the Agenda are on file in the Office of the City Clerk and are available for public inspection during regular business hours.

PUBLIC COMMENTS ON AGENDA ITEMS

For members of the public wishing to address the City Council regarding any item on this Agenda including the Consent Calendar or Oral Communications, please fill out a speaker card and return it to the City Clerk before the announcement of the Agenda Item.

Speakers are provided five (5) minutes per individual on each published agenda item. Individual speakers may consolidate time with another speaker's time; the total consolidated time cannot exceed two (2) minutes per speaker giving up time. However in the interest of ensuring that all members of the Public have an equal opportunity to participate, a single speaker cannot speak for more than ten (10) minutes on an individual Agenda item. If there are a large number of speakers on a particular agenda item, the Mayor, as confirmed by the City Council may reduce the amount of time allotted to each speaker or limit the total amount time allowed for speakers to address the agenda item. At the conclusion of that period of time, the speaker will be asked to please conclude their remarks so that the next speaker may begin their comments.

In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall, (626) 307-1359. Please notify the City Clerk's Office twenty-four hours prior to the meeting so that reasonable arrangements can be made to ensure availability of audio equipment for the hearing impaired. Council Chambers are wheelchair accessible.

PLEASE NOTE that this Agenda includes items considered by the City Council acting on behalf of the Successor Agency of the former Monterey Park Redevelopment Agency, which dissolved February 1, 2012. Successor Agency matters will include the notation of "SA" next to the Agenda Item Number.

CALL TO ORDER Mayor

FLAG SALUTE Mayor

ROLL CALL Peter Chan, Mitchell Ing, Hans Liang, Teresa Real Sebastian, and Anthony Wong

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS

[1.] PRESENTATIONS: None.

ORAL AND WRITTEN COMMUNICATIONS

CONSENT CALENDAR -- ORAL AND WRITTEN COMMUNICATIONS

Items on the Consent Calendar are considered to be routine, ongoing business and will be enacted by one motion. There is no separate discussion on consent items unless a Council Member/Agency Member or citizen so requests, in which event the item is removed from the Consent Calendar and considered separately. The City Clerk will not accept cards after the item has been taken up.

Consent Calendar – Approval By Minute Motion

[2.] SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY (SA)

None.

[3.] CITY OF MONTEREY PARK

CONSENT CALENDAR ITEMS 3A

None.

[4.] CONTINUED PUBLIC HEARING

4-A. A REQUEST TO AMEND SPECIFIC TERMS OF A DEVELOPMENT AGREEMENT (DA-13-01) BY AND BETWEEN THE CITY OF MONTEREY PARK, THE MONTEREY PARK SUCCESSOR HOUSING AGENCY AND LINC COMMUNITY DEVELOPMENT CORPORATION, ETC., AND TO TAKE OTHER ACTION RELATED TO IMPLEMENT THE DEVELOPMENT AGREEMENT AND PRIOR HOME LOAN APPROVAL WITH LINC (PUBLIC HEARING WAS CLOSED ON JANUARY 7, 2015)

It is recommended that the City Council consider

- (1) Waive second reading and adopt AN Ordinance approving an amended Development Agreement between the City and LINC community Development Corporation; including approval of an Amendment to the July 22, 2013 Agreement for HOME/CHDO Funds between the City and LINC;
- (2) Approve a purchase and sale loan between the Monterey Park Successor Housing Agency and LINC regarding the properties located at 236 S. Ramona Avenue and 321, 325, 341, and 371 E. Pomona Boulevard;
- (3) take such additional, related, action that may be desirable. Note that the public hearing was closed on January 7, 2015; no further evidence will be taken.

CEQA: The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§ 15000, *et seq.*, the "CEQA Guidelines"), and the City's Environmental Guidelines. This project is categorically exempt from additional environmental review pursuant to CEQA Guidelines §§ 15191, *et seq.* Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

[5.] UNFINISHED BUSINESS

None.

[6.] NEW BUSINESS

None.

[7.] COUNCIL COMMUNICATIONS AND MAYOR/COUNCIL AND AGENCY MATTERS

None.

[8.] CLOSED SESSION

None.

ADJOURN

ORAL AND WRITTEN COMMUNICATIONS



City Council Staff Report

DATE: January 14, 2015

AGENDA ITEM NO: Public Hearing
Agenda Item 4-A.

TO: Honorable Mayor and Members of the City Council

FROM: Michael Huntley, Director of Community and Economic Development

SUBJECT: Second Reading and Adoption: An Ordinance amending specific terms of a Development Agreement (DA-13-01) by and between the City of Monterey Park, the Monterey Park Successor Housing Agency and LINC Community Development Corporation, etc., and to take other action related to implement the Development Agreement and prior HOME Loan approval with LINC

SUMMARY

The first reading and public hearing occurred on January 7, 2015. The ordinance is now ready for second reading and adoption by the City Council.

A copy of the staff report from the January 7, 2015 meeting is attached for reference.

RECOMMENDATION

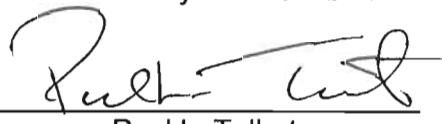
It is recommended that the City Council: (1) waive second reading and adopt the proposed ordinance; and (2) take such additional, related, action that may be desirable.

By:



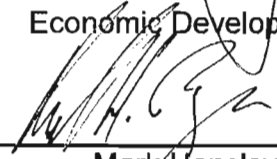
Michael Huntley
Director of Community and
Economic Development

Approved:



Paul L. Talbot
City Manager

Reviewed:



Mark Hensley
City Attorney

Attachments:

City Council staff report from January 7, 2015
Proposed Ordinance

ATTACHMENT 1
January 7, 2015 Staff Report



City Council Staff Report

DATE: January 7, 2015

AGENDA ITEM NO: Public Hearing
Agenda Item 4-A.

TO: The Honorable Mayor and City Council
FROM: Michael A. Huntley, Community and Economic Development Director
SUBJECT: A request to amend specific terms of a Development Agreement (DA-13-01) by and between the City of Monterey Park, the Monterey Park Successor Housing Agency and LINC Community Development Corporation, etc., and to take other action related to implement the Development Agreement and prior HOME Loan approval with LINC

RECOMMENDATION:

It is recommended that the City Council consider:

- (1) Opening the public hearing;
- (2) Receiving documentary and testimonial evidence;
- (3) Closing the public hearing;
- (4) Waive first reading and introduce an Ordinance approving an amended Development Agreement between the City and LINC Community Development Corporation; including approval of an Amendment to the July 22, 2013 Agreement for HOME/CHDO Funds between the City and LINC; and, approval of a purchase and sale loan between the Monterey Park Successor Housing Agency and LINC regarding the properties located at 236 S. Ramona Avenue and 321, 325, 341, and 371 E. Pomona Boulevard;
- (5) Provide tentative approval of the third party financing of the Project as outlined in the amended Development Agreement; and
- (6) Take such additional, related, action that may be desirable.

Environmental Assessment

The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§ 15000, *et seq.*, the "CEQA Guidelines"), and the City's Environmental Guidelines. This project is categorically exempt from additional environmental review pursuant to CEQA Guidelines §§ 15191, *et seq.* Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

EXECUTIVE SUMMARY:

On February 19, 2014, the City Council approved a General Plan Amendment and Development Agreement with LINC Community Development Corporation (LINC). The approval allowed LINC to purchase the property located at 236 S. Ramona Avenue with the intention of developing a 6-unit affordable housing project. The approval also allowed LINC to purchase the properties located at 321, 325, 341, and 371 E. Pomona Boulevard; and 534 N. Chandler Avenue. It is LINC's intention to purchase these residentially developed properties; refurbish the existing residential units; and manage and rent these affordable housing units. LINC is also required to provide 19 public parking spaces on the Ramona Avenue property.

To ensure the financial viability of the project, it is necessary for LINC to acquire all of the sites identified above; obtain financing from the City in the form of HOME funds for the development of the 6 affordable units at 236 S. Ramona Avenue; and obtain funding through the California Tax Credit Allocation Committee (CTCAC) program.

Over the last eight months, LINC has focused their attention on applying for funding through the California Tax Credit Allocation Committee (CTCAC). Unfortunately, LINC did not receive funding as part of the first round. LINC subsequently resubmitted their funding application as part of the second round and has received a notification from CTCAC that they will be receiving funding for their project.

In the last few months, LINC has evaluated the current market conditions and financing opportunities and has informed the City that they would like to amend the existing Development Agreement. The Development Agreement contemplated a thirty year loan with regard to the HOME Loan of \$834,833 for constructing the improvements on the Ramona Avenue Property and an acquisition loan of \$2,080,000 to acquire the remaining properties. It was also contemplated that LINC would seek another loan from a third party for purposes of constructing the various improvements on all of the properties. Specifically, LINC is requesting an increase to the term of the loans from 30 years to 55 years so that the loans run concurrently with the affordability covenants and the property with regard to all of the properties. LINC has stated that this is the only way that given the combination of outside financing requirements and the use of tax credits that the project is financially feasible. LINC is also proposing to pay the City \$540,000 for the Ramona Property upon closing of the transaction which the City can then use to purchase another property for public parking. In LINC's prior proposal it was only going to pay the City \$405,000 of this amount and the remaining amount was going to be financed over time. The City's outside consultant Keyser, Marston and Associates has reviewed LINC's request and believes that it is reasonable and customary in light of the type of transaction that is involved.

LINC is working with Citibank with respect to the outside financing for purposes of constructing the various improvements on all of the properties. The construction loan will be approximately \$7 million and will be for a term of 20 months. Citibank is also providing a permanent loan in the approximate amount of \$600,000 and will be for a

term of 35 years. The City is reviewing the loan and related documents to determine whether LINC has the necessary financing in place prior to closing the transaction. Citibank is requiring that, which was contemplated by the Development Agreement, the City and Successor Agency subordinate their loans to Citibank's construction loan. The Home Loan and Successor Agency Loan are contemplated to be cross-collateralized against all of the properties. The permanent financing provided by Citibank will be junior to the Home loan and the Successor Agency loan. The City and Citibank are working a subordination agreement with regard to the permanent financing and it will be in a form substantially similar to that which is attached to the Amendment to the Development Agreement with regard to Citibank's construction loan. This latter subordination agreement will be made available to the Council and public early next week.

BACKGROUND:

The City of Monterey Park received an annual allocation of HOME Program Funds from the United States Department of Housing and Urban Development (HUD). HOME Program requires cities to set aside a minimum of 15 percent of their HOME allocations for housing development activities in which qualified Community Housing Development Organizations (CHDO's) are the owners, developers and/or sponsors of the affordable housing project.

On June 6, 2012, the City Council certified LINC Housing as a qualified Community Housing Development Organizations (CHDO) and authorized the City Manager to enter into a Reservation Agreement with LINC Housing in the amount of the \$544,245.00 (this figure was later increased to \$834,833 because of additional HOME Funds that needed to be expanded or the funds would roll back to HUD).

On July 22, 2013, the City Council approved 236 South Ramona Avenue as the Project Site to utilize the HOME Funds and authorized the City Manager to enter into an Agreement with LINC Community Development Corporation. This Agreement tentatively committed \$834,833 in HOME Funds to LINC for developing 6 new affordable housing units.

On October 2, 2013, the City Council approved the Pre-Development Loan to LINC to evaluate project feasibility of the 236 South Ramona Avenue Site. The City Manager was authorized to execute the Pre-Development Loan in the amount of \$83,483.

On December 10, 2013, the Planning Commission adopted Resolution No. 12-13 recommending approval of General Plan Amendment (GPA-13-01) and Development Agreement (DA-13-01) to the City Council.

On December 17, 2013, the Design Review Board reviewed and approved the proposed project.

On January 23, 2014, the Planning Commission adopted Resolution No. 02-14 indicating that the proposed disposition of real property is in conformance with the

Monterey Plan General Plan. The City owned properties identified in the Resolution include 236 S. Ramona Avenue; 321, 325, 341, and 371 E. Pomona Boulevard; and 534 N. Chandler Avenue.

On February 19, 2014, the City Council approved a General Plan Amendment (GPA13-01) and Development Agreement (DA-13-01) allowing the development of six new affordable housing units on the property located at 236 South Ramona; Declared the City owned properties at 236 S. Ramona Avenue; 321, 325, 341, and 371 East Pomona Boulevard; and 534 North Chandler Avenue as surplus property thereby allowing these Successor Agency owned residential properties to be sold to LINC pursuant to the terms and conditions of the Development Agreement.

DEVELOPMENT AGREEMENT:

Staff has reviewed the requested changes proposed by LINC and believes that they are in the best interest of the City to ensure the development of the affordable housing project and provide for improvements, long term maintenance and property management of the proposed new units and existing units.

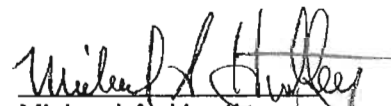
ALTERNATIVE COUNCIL CONSIDERATIONS:

None.

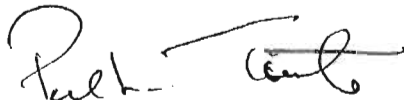
FISCAL IMPACT:

As noted above, the HOME monies used for this project are federally restricted funds. The acquisition loan does not result in the Successor Agency providing any proceeds to LINC but rather is to finance the purchase price of property owned by the Successor Agency. The City will not be using money from its general fund (or any other fund). There is a fiscal benefit to the City in that it will receive the full \$540,000 for the Ramona property in an upfront cash payment instead of having to defer \$135,000 that would be reimbursed overtime.

Respectfully submitted,

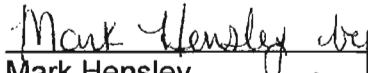

Michael A. Huntley
Community and Economic
Development Director

Approved by:

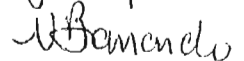


Paul L. Talbot
City Manager

Reviewed by:



Mark Hensley
City Attorney



Attachments:

- Exhibit A: City Council Ordinance
- Exhibit B: Draft Amended Development Agreement (with Exhibits)
- Exhibit C: March 2014 Development Agreement (with Exhibits)
- Exhibit D: July 2013 Agreement for Home/CHDO Funds
- Exhibit E: HOME Predevelopment Loan Agreement

ATTACHMENT 2

Draft Ordinance

ORDINANCE NO.

**AN ORDINANCE APPROVING AN AMENDED DEVELOPMENT
AGREEMENT (DA-13-01A) TO CONSTRUCT A NEW SIX-UNIT
AFFORDABLE HOUSING DEVELOPMENT PROJECT AT 236 SOUTH
RAMONA AVENUE.**

The City Council for the City of Monterey Park does ordain as follows:

SECTION 1: The City Council finds and declares that:

- A. On February 19, 2014, the City Council adopted Ordinance No. 2105 approving a Development Agreement ("DA-13-01") with the LINC Community Development Corporation ("LINC") to construct a six-unit affordable housing development at 236 South Ramona Avenue (the "Project"). On October 6, 2014, LINC filed a request to amend DA-13-01 (the "Amended DA");
- B. The City reviewed the Amended DA to determine its conformance with approvals previously granted on February 19, 2014; and
- C. The City Council has carefully considered all pertinent testimony and the staff report offered in the case as presented at the public hearing of January 7, 2015.

SECTION 2: *Environmental Findings.* The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations § 15000, *et seq.*, the "CEQA Guidelines"), and the City's Environmental Guidelines. This project is categorically exempt from additional environmental review pursuant to CEQA Guidelines § 15191, *et seq.* The project consists of the construction of six affordable housing units.

SECTION 3: *Approval.* The Amended DA attached as Exhibit "A," and incorporated by reference, is approved. The Amended DA amends DA-13-01 in its entirety and may be identified as DA-13-01A. The Mayor is authorized to execute the Amended DA in a form approved by the City Attorney.

SECTION 4: *Technical Corrections.* The City Manager, or designee, is authorized to make technical corrections, in a form approved by the City Attorney, to exhibits, maps, diagrams, tables, and other, similar, documents (collectively, "Exhibits") to the Amended DA that may be required.

SECTION 5: *Reliance on Record.* Each and every one of the findings and determinations in this Ordinance are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the Project. The findings and determinations constitute the independent findings and determinations of the City

ORDINANCE NO.
PAGE 2 of 3

Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 6: *Limitations.* The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 7: *Summaries of Information.* All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 8: If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 9: The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 10: This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED, APPROVED, AND ADOPTED this __ of January, 2015.

Hans Liang, Mayor
City of Monterey Park, California

ATTEST:

Vincent D. Chang, City Clerk
City of Monterey Park, California

ORDINANCE NO.
PAGE 3 of 3

I HEREBY CERTIFY that the above and foregoing ordinance was duly passed and adopted by the Monterey Park City Council at its regular meeting held on ____ of March 2014, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By: _____
Karl H. Berger, Assistant City Attorney